

LANCASTER

Lancaster City Council Business Survey 2019

2019 Lancaster City Council Business Survey

Aims and purpose

Lancaster City Council conducted a business survey so that it could better understand the strengths and weaknesses of the district's business environment and how it could be improved to help businesses grow and prosper.

Businesses shared their views and ideas about what is needed for their business to succeed and helped identify areas in which we, and our business partners, can support.

The information provided will help the council shape its economic growth and regeneration strategy and inform decision making processes, ensuring they are led by the needs of business. It highlighted areas where we need to take action.

Promotion of the survey

The online survey was run on the SurveyMonkey platform between 1st October 2019 and 12th November 2019

It was promoted through a number of channels including:

- Lancaster City Council's Business Rates mailing list.
- Lancaster City Council's Economic Development Team Mailing list.
- Lancaster City Council Press Release.
- Attendees at Lancaster Business Expo held on 19th & 20th September at Lancaster Brewery.
- Via all local business networks including The Chamber of Commerce, BID's Lancaster & Morecambe, Shout, Bay Network, Carnforth Business Network, FSB, ESTA, Digital Lancaster, CVS, BNI, Storey Network, White Cross Business Network.
- Also promoted via LinkedIn, InvestLancaster twitter and City Council's twitter.

Findings, Conclusions & Recommendations

The results of this survey will be shared with all respondents and will be made available publically online.

The survey results will also be shared with all key decision makers and policy makers within Lancaster City Council.

There were 106 responses, from a wide, varied business sector representation.

This means that the findings are not based purely on quantitative analysis. I have also used previous experience, feedback and insight to offer some qualitative analysis of the responses.

The majority of business respondents were early stage having started 0-5 years ago at 31.68%, 6-10 years ago at 19.80%, 11 to 20 years ago at 19.80%, 21 to 50 years ago at 18.81% and 51+ years ago at 9.90%.

The majority of sector respondents were from Retail & Wholesale businesses at 19.80%. Financial & professional at 15.84% Digital and creative at 12.87%. Hospitality, tourism & food & drink industry at 9.90%. Education at 7.92% and Health & social care at 5.88%. This roughly reflects the make up of our district's sector.

The majority of responses were from micro businesses with 0-9 employees at 66.34% and 10-49 at 25.74%. Although the vast majority of our districts business are micro, at 89% of the total.

Representative business priority sector micro business sub group workshops are planned to gain further 'on the ground' quantitative insight.

Lancaster district ESTA sector sub groups workshops early 2020 to assess survey results and inform recommendations; Key sector representatives will include;

- Health
- Education
- Wholesale and Retail
- Accommodation and Food Services

The discussion guide for these workshops will include sections about their business and the positives and negatives of being based in the district, support the business has made use of and what would be helpful. They will also include a section on finding business premises and interaction the business has with the council.

Key Messages

There are 4 key theme identified areas of importance to Lancaster district businesses;

- Drivers and Barriers to Growth**
- Premises**
- Recruitment, Skills & Training**
- Business Support services**

Drivers and Barriers to Growth

Lancaster district businesses generally appear to be enjoying good financial performance.

Of the 103 respondents, 76 reported that their turnover had stayed the same or grown.

30 Businesses stated that their turnover had increased by more than 20%.

21 businesses stated that their turnover had increased by up to 20%.

25 businesses stated that their turnover had stayed the same.

Of the 103 respondents, 17 stated their turnover had decreased.

14 businesses stated that their turnover had decreased by up to 20%.

3 businesses stated that their turnover had decreased by more than 20%.

Significant key business growth drivers were seen as;

The products and services your business provides 68.37%

Your approach to business strategy and planning 39.80%

Your workforce and skills, ability to recruit the right staff 31.63%

Marketing 31.63%

Quality & affordability of premises 25.51%

Local customer base 27.55%

Availability of parking 20.41%

Premises

Respondents operated from the following premises;

Industrial 17.27%

Office, 41.84%

Warehouse, 10.20%

Retail, 25.51%

Quality & affordability of premises was identified by 25.51% respondents as a key business growth driver.

Premises availability is identified as a key challenge facing some participating Lancaster district businesses, with this relating to both scarcity of suitable premises and the impact of premises costs / rent.

35% of business respondents stated they were neutral or dis-satisfied with their current premises, with 44% stating they are looking for new premises, either now or in the near future.

46.39% of respondents identify not being able to find the right premises as a barrier to growth that they are currently facing.

Property requirements ranged from 300 to 25,000 square feet.

1000 to 3000 square feet being the most common.

This issue can be seen as particularly important from the point of view of encouraging businesses to stay as suitable premises is the top issue that could make participating businesses consider moving out of the district.

It is also possible that unmet latent demand for premises (e.g. businesses being put off from considering moving to larger accommodation that could allow them to grow because they do not believe suitable premises would be available to them) may be constraining possible business expansion and growth.

Premises availability is also particularly pressing in some cases as this may make a difference to the survival of some businesses with the need to “downsize” their premises in order to constrain costs and continue trading.

Planning advice and advice on using space differently has been identified as an area where further support is needed. This may include helping businesses to achieve growth within their existing premises or working with them on creative thinking about the way in which a new space could be adapted or re-designed to meet their needs in a way that is not immediately obvious.

Lancaster City Council key regeneration and development areas with potential for business space include;

Canal Quarter
Morecambe Future High Streets Fund Bid
Bailrigg Garden Village
Heysham

The need for co working and affordable start-up space is mentioned on numerous occasions.

“We need somewhere with individual offices, meeting rooms, and shared social spaces to allow the digital/creative sector to flourish further”

“Start-up office space and affordable workshop space for emerging creative industries extremely limited and expensive, stifles innovation in what should be a highly energetic city with high levels of graduate skills”

“Too expensive for start ups”

“Definite lack of co-working, flexible spaces.”

This issue has previously been identified within the district;

As a result, a new development, Fraser House, is planned. A new community and office hub for fast growing technology and digital companies and start-ups in Lancaster, based on the Lancashire County Council owned White Cross Business Park. It provides co-working space and office pods alongside grow on offices for up to 50 people,

Fraser House continues to be developed in consultation with the technology and digital business community of Lancaster to address ever changing needs, currently including flexible leases, superfast internet connectivity and collaboration space.

Opening in late Autumn 2020 and Lancashire County Council are currently registering interest to secure spaces.

Recruitment, Skills & Training

Issues related to recruitment, retention and skills gaps can be seen, with these challenges constraining the growth potential of some local businesses.

31.63% of businesses felt their workforce and skills and the ability to recruit the right staff were a key growth driver for their business.

Recruitment difficulties are reported by 44.09% of participating businesses, the vast majority of those being micro businesses with 1-10 employees.

These can be broadly categorised as either unskilled manual workers or sector specific skilled roles. i.e. Construction, Manufacturing, Specialist IT, Professional.

Areas to develop and train current employed staff mirrored the above areas with 52.63% of business stating Technical skills relevant to industry being identified as key and 18.42% stating Specialist IT roles ie programming, software development, designers.

32.89% of businesses stated Management & Leadership skills eg strategic planning, business development were identified as areas where skills gaps exist. In light of this, Lancaster district businesses may welcome help with encouraging retention through non-financial routes e.g. training or support for managers in establishing and communicating clear progression routes.

23.68% of businesses stated that Digital skills eg adopting new technology, online services was an area where their existing staff could benefit.

19.74% of business stated they felt Customer Service training would be useful for their existing staff.

30.68% stated they did not have a relationship with schools, colleges or universities.

Local businesses may benefit from help or support around communicating the more holistic benefits of the positions they have to offer, including the attractive features and amenities offered by the Lancaster district as a home location.

Skills gaps and recruitment issues appear to be constraining Lancaster district businesses in their potential to grow, for example with skills gaps more common among growing and early stage businesses.

Lancaster district businesses do appear to have an appetite for solutions and support to address some of these issues;

For example 61.54% of businesses were interested in developing(or further developing) a relationship with local schools and higher educational establishments to promote their business, with a view to developing skills and attracting talent.

48.15% stated Staff training. Improving / up-skilling the skills of your existing employees would be business support services they would be likely to look for in the future.

38.27% stated they would likely look for Developing management, planning and leadership skills.

35.80% stated they would likely look for Apprenticeship support.

Key Lancaster City Council initiatives addressing local recruitment and skills issues include;

LANCASTER DISTRICT SKILLS FORUM

Aim

To provide a co-ordinated approach to the recruitment and skills needs across the Lancaster District. To ensure local people have the skills to compete for jobs. Supporting our key sector employer's and the growth of the local economy.

Objectives

- Reviewing the LEP Skills and Employment Strategic Framework 2016-2021 in relation to Lancaster District. Examining supply and demand in the local labour market.
- Support joint working between employers and education and training providers to ensure that the skills offer meets the future needs of employers in key sectors critical to the growth of the local economy.
- Work with employers and education organisations to develop up to date labour market information and to ensure this is reflected in better information and careers guidance.
- Engage with all key partners to deliver innovative and creative solutions to the recruitment and skills issues our employers are facing.

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- Promoting the benefits to businesses of registering for the Lancaster District Recruitment & Skills Partnership
 - To increase awareness of, and access to, the skills solutions and products that are available to employers

LANCASTER DISTRICT RESPONSIBLE BUSINESS NETWORK

The network aims to link the world of work and business to schools and other educational establishments more closely to show young people the opportunities they can seize.

It also aims to provide support for the unemployed & other disadvantaged groups.

The network welcomes businesses of all sizes operating in the Lancaster district, from sole traders to multi nationals.

What are the benefits of joining the network?

- Free to join.
- An opportunity to raise the profile of your business, to attract people into working for you, addressing any skills shortages your sector may be facing.
- Quarterly networking events to share success stories and promote best practice, alongside the opportunity to grow your business contacts within a professional environment.
- Help your business achieve its social responsibility objectives and give something back to the local community.

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- A brokering service to match your business and staff with, often fully funded, local opportunities, tailored to the needs of your business. Including recruitment and skills training support.
 - Be part of a responsible business movement and make a tangible difference in the local area.
 - Positive PR – good news stories from members of the network will be shared locally and nationally on social media.

Business Support services

On average, participating Lancaster district businesses selected 5 types of business support from a list of 19 that they would look to access in the future.

There does appear to be an appetite for business support in the Lancaster district particularly.

However, 23% of participating businesses did not consider any of the support methods listed appealing.

Networking opportunities and events is the area of support most likely to be seen as beneficial (identified by 50.62 % of participating businesses)

Followed by;

Staff training. Improving / up-skilling the skills of your existing employees at 48.15%.

Business growth advice/mentoring at 39.51%

Developing management, planning and leadership skills at 38.27%

Improving online presence/ social media at 38.27%

Apprenticeships at 35.80%

Using IT and Digital technologies to improve efficiency/productivity at 34.57%

Increasing the social and environmental benefits' of your business at 33.33%

Accessing finance, including match funding, small grants, subsidies and loans at 29.63%

Businesses were asked to choose 3 business support delivery methods from a list of 9. The 2 Preferred methods of delivering business support were;

One to one support in person ie business mentoring at 47.56%
and ***Short 1/2 day 'how to' workshops*** at 45.12%

Followed by;

Group seminars or lectures at 36.59%

Online courses at 32.93%

Short 1 day 'how to' workshops at 31.71%

2 hour workshops at 30.49%

Online information/website at 30.49%

Online newsletter or bulletins at 23.17%

However, 22% of participating businesses did not consider any of the support methods listed appealing.

The preferred location of events went with where the business respondent was located with Lancaster city centre at 51.19%, Morecambe at 19.05% and Carnforth at 11.90%

The preferred time of day for events was a morning start with 9am at 31.71% and 10am at 29.27%

The following Lancaster City Council initiatives will address, taking into account, the full findings of the survey;

Lancaster City Council Business Support diagnostics

One to one (a preferred delivery method identified from the survey) business diagnostics will be offered to all local district businesses. Providing a professional, impartial business information service, allowing businesses to access all relevant business support offers in the marketplace.

One to One Business Mentors

One to one mentoring. Recruitment of volunteer Business mentors/coaches for local micro businesses, local charity or 3rd sector organisation is a key aim of the Lancaster District Responsible Business Network. Launch February 2020 with personalised invites sent out to survey respondents who stated they were interested. Lancashire's Boost growth mentoring programme will also be promoted.

Programme of Business Events

An annual programme of events incorporating *workshops* and *group seminars* (most popular delivery methods identified from survey), in the areas identified by survey responses, is planned for 2020. *Networking opportunities and events* were also a popular choice for respondents - Quarterly Lancaster District Responsible Business Network events will be held.

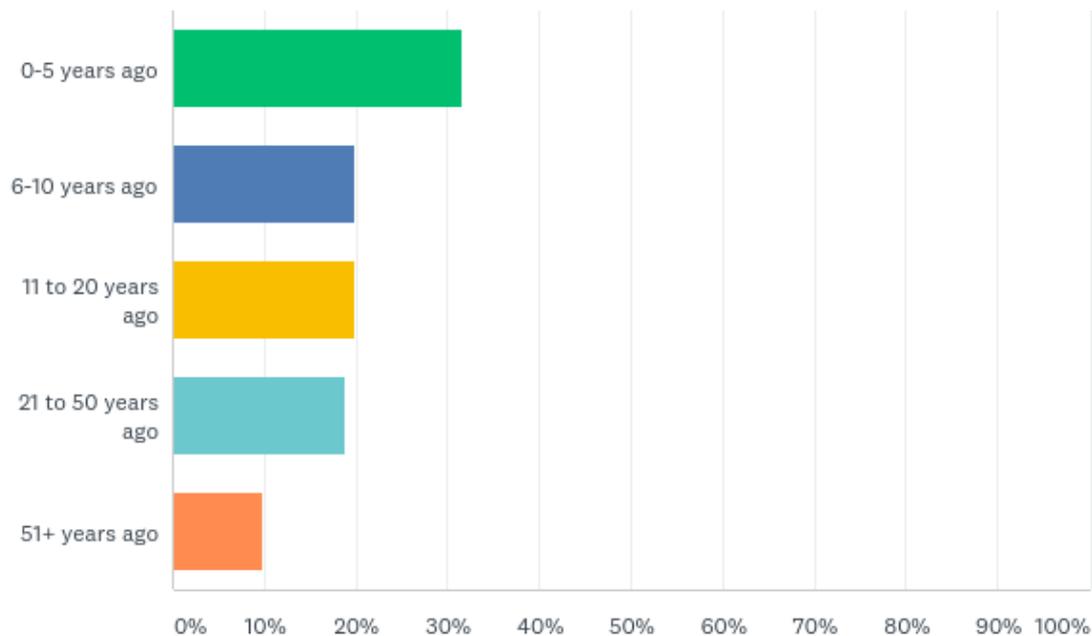
Lancaster City Council Business Webpages

Lancaster City Council's Business Support *website* will incorporate *Online courses* and *Online newsletters and bulletins*. (popular delivery methods identified from survey) The online content is a 'one stop shop' for all the business support available in the area including council specific support offers.

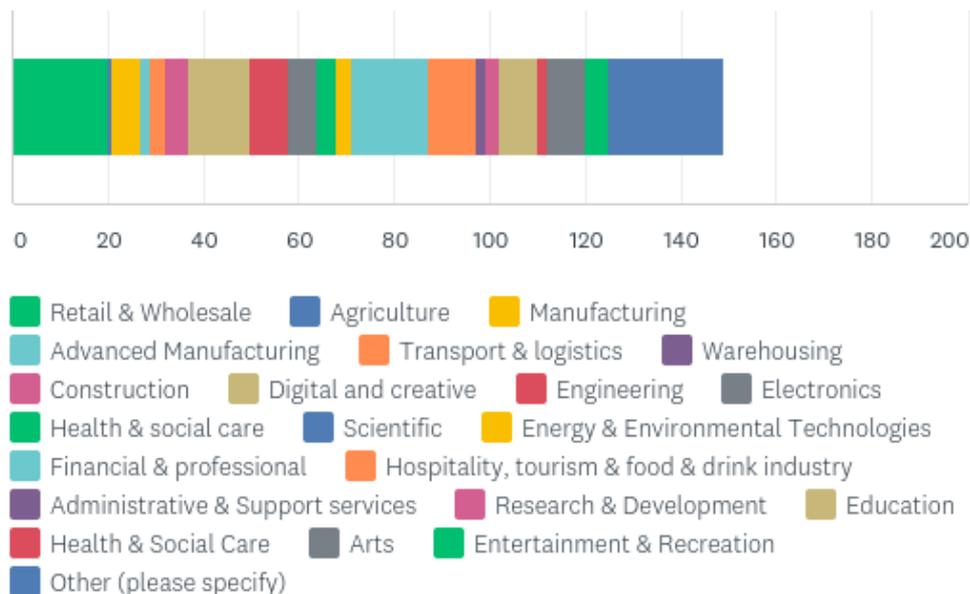
Questions & Responses

The following infographics give a summary of the data collected;

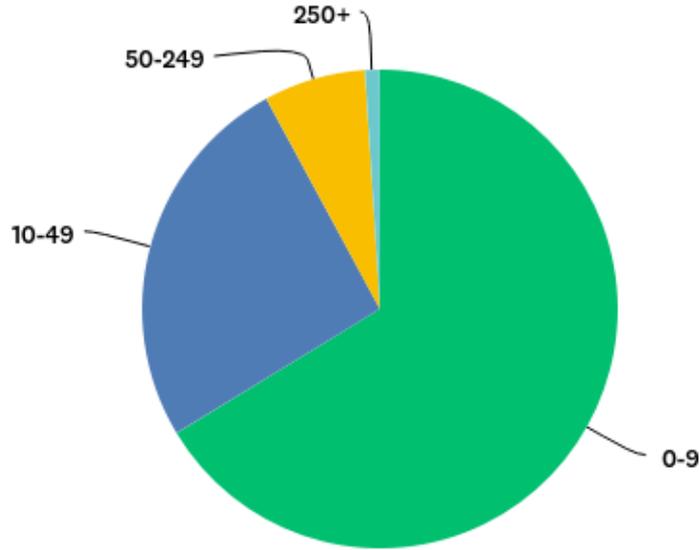
What year did your business start trading?



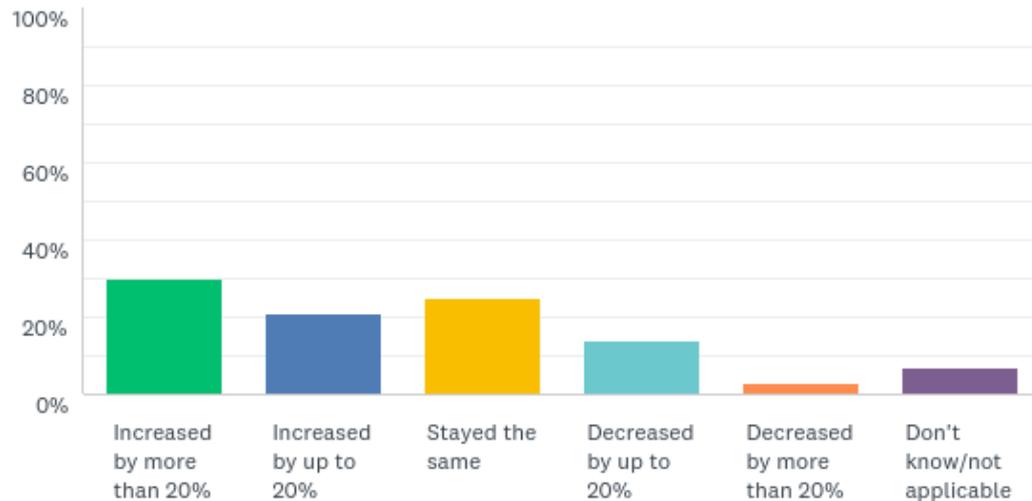
Which sector is your business in?



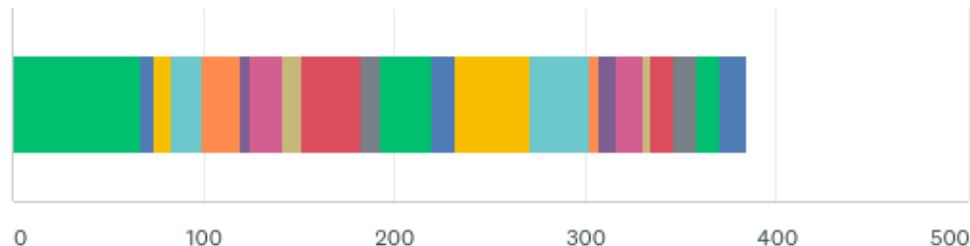
How many staff are currently employed at your business?



Over the last 12 months, has the turnover of your business.....? (Please tick 1 box)



Which of the following do you think are the three main drivers of growth in your business? (Please tick up to 5 boxes)



- The products and services your business provides
- Quality of premises
- Low levels of crime a anti-social behaviour
- Access to new markets and sales opportunities
- Access to superfast broadband
- Local customer base
- Your approach to business strategy and planning
- Your workforce and skills, ability to recruit the right staff
- A strong local supply chain
- Road transport access
- Technology availability and advancements
- Business mentoring/support/advice
- Other (please specify)
- Business rate costs
- Affordability of premises
- Availability of parking
- Marketing
- Levels of productivity
- Research & Development, new products/ & services
- Access to public transport
- Accessibility of finance
- Image of the area

Do you have any comments to make about the growth(or barriers to the growth) of your business?

"EMPTY RETAIL PREMISES. 2.HOMELESS PEOPLE ROAMING AROUND DRUNK. SWEARING. ETC."

"Recruitment remains a major issue - in particular getting people with the right blend of skills that can make a digital marketing agency effective."

Current lack of decent local collaborative space to work, meet, and network.

I saw a report from 2005 which acknowledged then that there were "well documented parking issues" in Carnforth but I fail to see how this has been addressed.

Speed to market and opportunity to pursue new ideas slowed down by local planning.

Not yet, as I've have only launched in the last month. At the moment everything is looking very positive, but I'm sure I have a lot to learn. The support I have received from the local council has been invaluable.

Being regularly overlooked - as there appears to be a general perception that the major cities only have the skills. We'd love to do more locally, but find opportunities rare - and when they appear the procurement PQQ's are weighted against SME's like ourselves

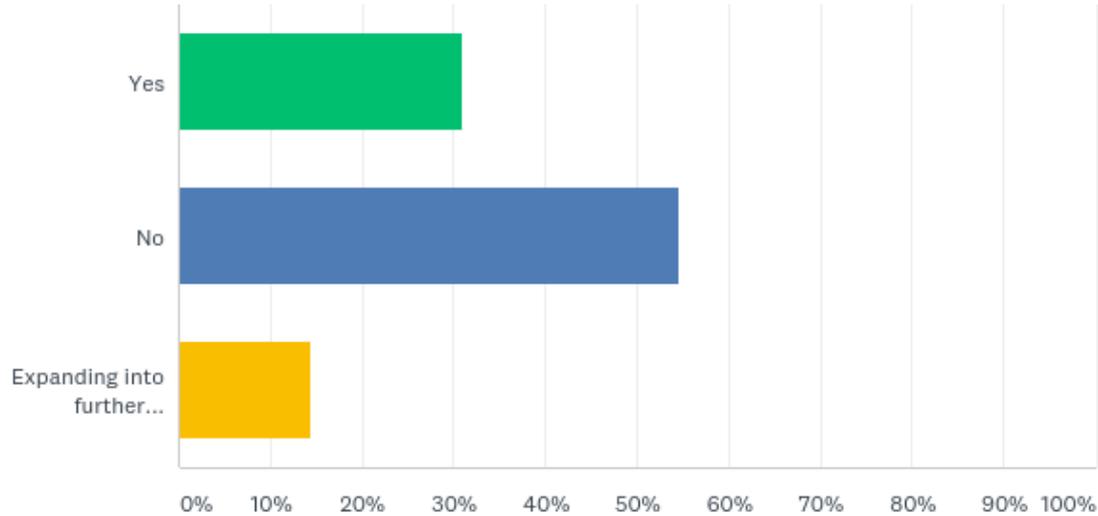
Opportunities to get involved in major local projects - currently these appear to be going to businesses from outside the area.

There is both a resource and skills shortage in the local area which effects both ourselves and our clients. Development and regeneration of the local area appears very slow, this in turn leads to a lack of growth and the loss of local talent.

The city centre needs free parking to survive in competition with retail parks where you can park outside for free.

Lack of business bank growth funding. The area has a poor digital footprint. Partially incorrect perception that Morecambe is run down.

Are there any reasons why you would ever consider moving outside of the Lancaster district?



Are there any reasons why you would ever consider moving outside of the Lancaster district? Comments.

We would not move out of the area but we might move to larger premises within the area.

We have recently opened space in London. Lancaster is currently very saturated with digital marketing agencies which can make competing for local businesses much harder than being in areas where there are less agencies per interested business. Take up of digital services locally also seems to be more difficult than in Manchester, London or Edinburgh for example.

To be nearer to greater concentrations of businesses

Expansion out of our current premises

In short supply

No quality city centre office space.

Poor availability of suitable business premises

We like being here. We are established in the city. We wouldn't rule out a second office if the need arose.

Lack of suitable storage/workshop facilities

Access to decent offices and staff

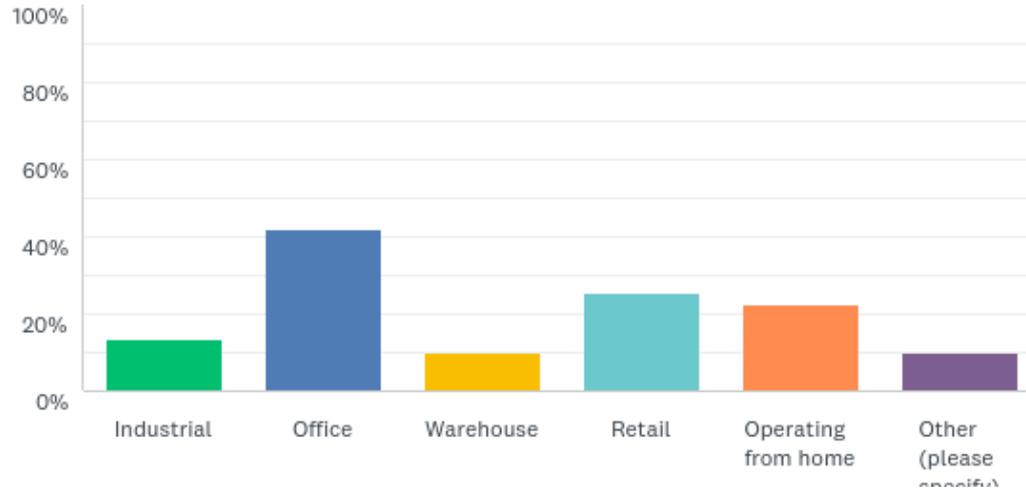
Suitable premises and better business sector support

More suitable and accessible office premises

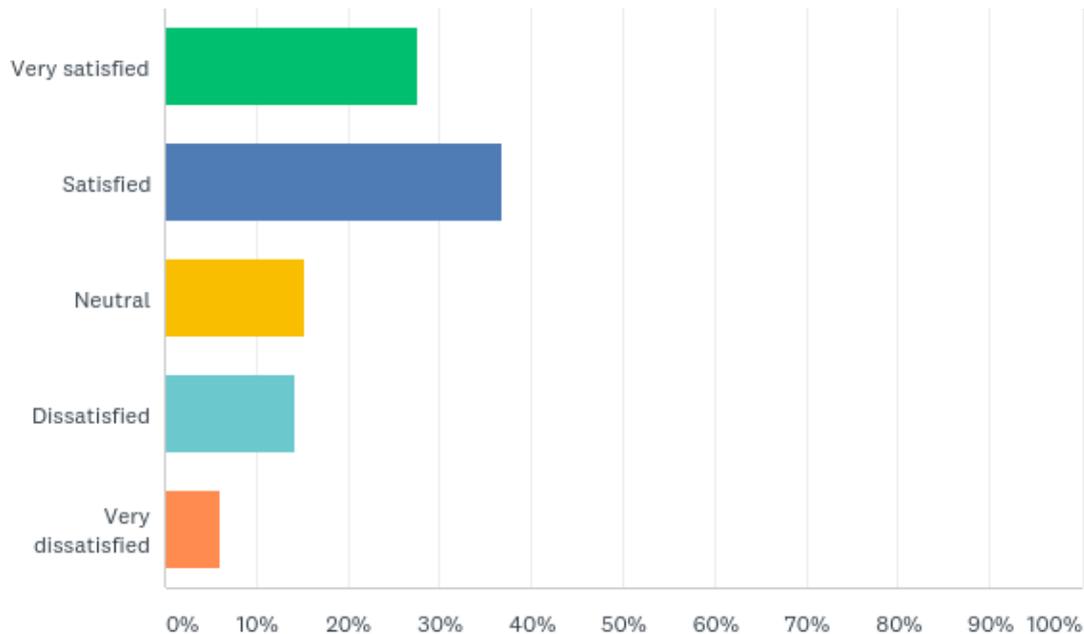
Business growth into locations outside Lancaster

If there was another nearby district with better help/access to funding for small businesses

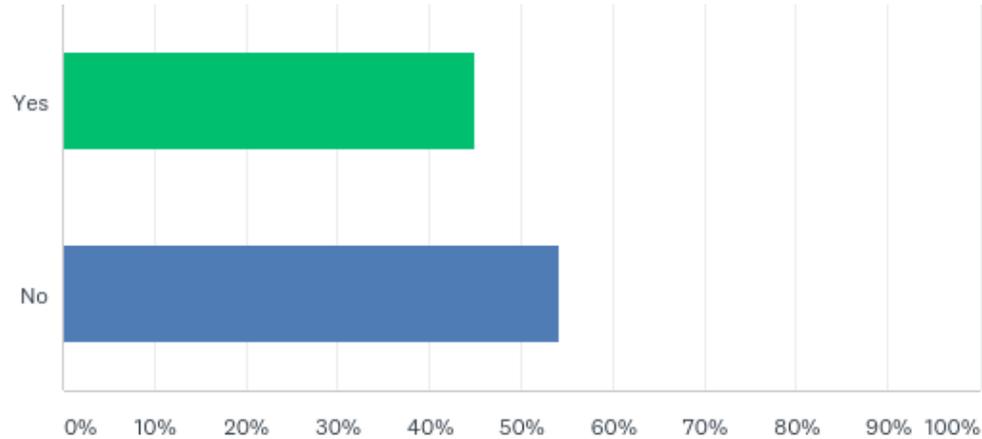
What type of business space do you currently operate from? (Please tick all that apply)



How satisfied or dissatisfied are you with your existing premises? (Please tick 1 box)



Are you looking to find new premises either now or in the future?



Thinking about alternative premises, how much space do you require if known.

2500 sq ft

20,000 sq foot minimum with an entrance height of 18 foot

up to 10,000 sqft

Approx 3,000 sq feet plus small office

1,000 - 1,500 sq ft

20,000 to 25,000 square feet part office part manufacture

Over 1000 sq ft with large access

250M2

We needed 10k sq. ft

1.25 acre site

2500 sq ft

A small office

800sq ft approx.

An office big enough for up to 50 people with car park space to reflect this

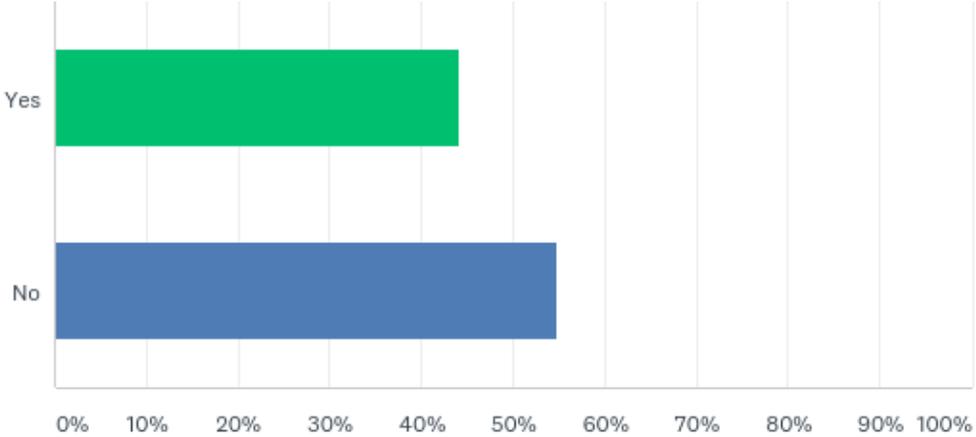
300 sq ft only

around 2500 sq feet

Any other comments on business accommodation in Lancaster district.

- Very little of it and quality is very poor. Access to information about what is available is almost non-existent. Landlords are often unwilling to do anything to change space to accommodate prospective tenants. Even public sector office space is challenging. A real lack of property experts in the area.
- It needs to be visible within the city centre, walking distance to the railway station, within the canal, grade A quality and with some parking.
- Feedback from other business we network with is there is a distinct lack of suitable space for business to grow. Also somewhere to facilitate a larger business gathering other than the university seems to also be talked about.
- Mixed use (office + warehouse / industrial) accommodation is essential to us, to house our technical staff and equipment stock.
- Very few suitable options
- There appears to be a lack of good quality, affordable office space.
- Start-up office space and affordable workshop space for emerging creative industries extremely limited and expensive, stifles innovation in what should be a highly energetic city with high levels of graduate skills
- Definite lack of co-working, flexible spaces.
- There isn't enough large office space that is based in the centre, most being out the way from adequate transport links like Caton Road.
- We need somewhere with individual offices, meeting rooms, and shared social spaces to allow the digital/creative sector to flourish further.
- Too expensive for start ups
- No support for technical companies that require lab space.
- Many of my clients are seeking office space in the Lancaster district. Growing companies with increasing staff levels are struggling to find suitable office space. Some are looking to move out of the area.
- Have found choices to be limited for smaller companies and apart from where we are now the pricing has not been the most competitive.
- There isn't enough large office space that is based in the centre, most being out the way from adequate transport links like Caton Road.
- Affordable accommodation does seem to be in short supply

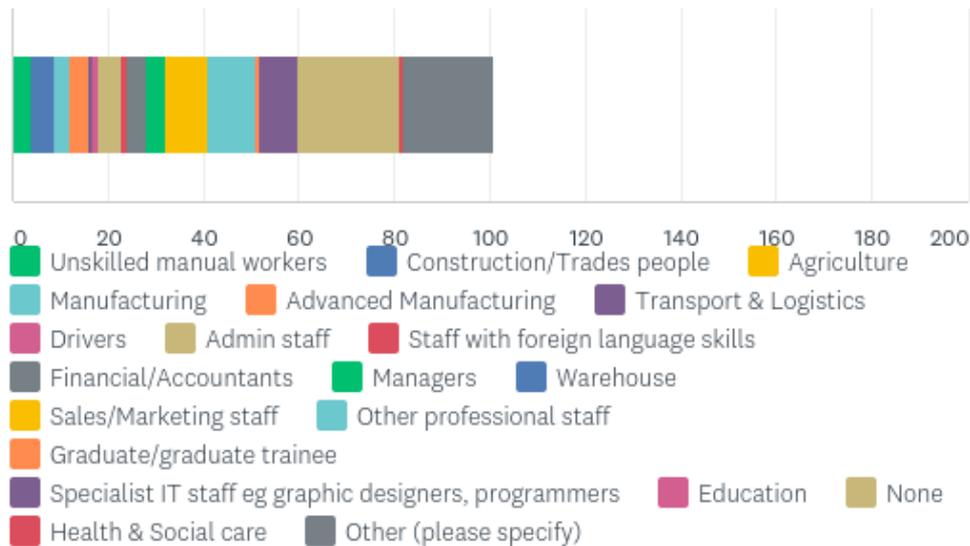
Do you experience any difficulties when recruiting new staff?



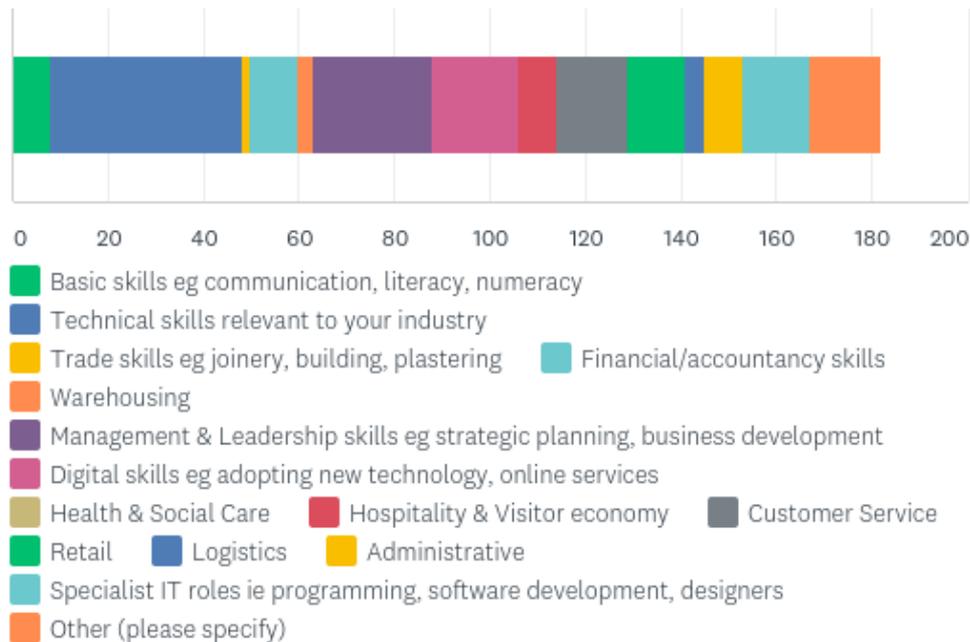
How do you find and recruit new staff? (Please tick all that apply)



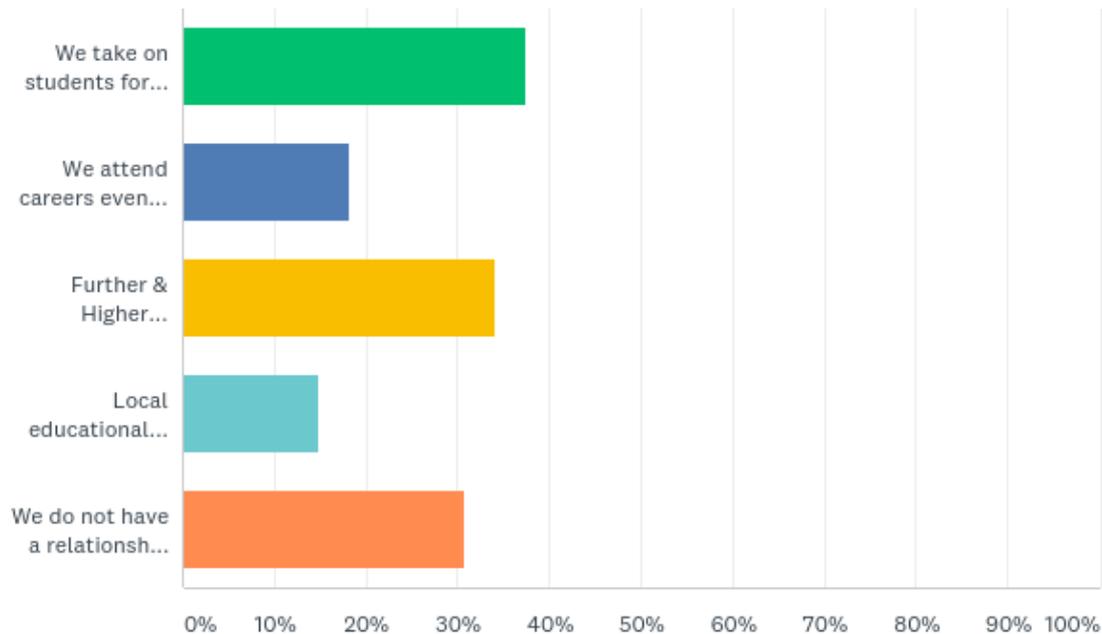
Are there any skills or roles you have found it difficult to find or recruit to? (Please tick all that apply)



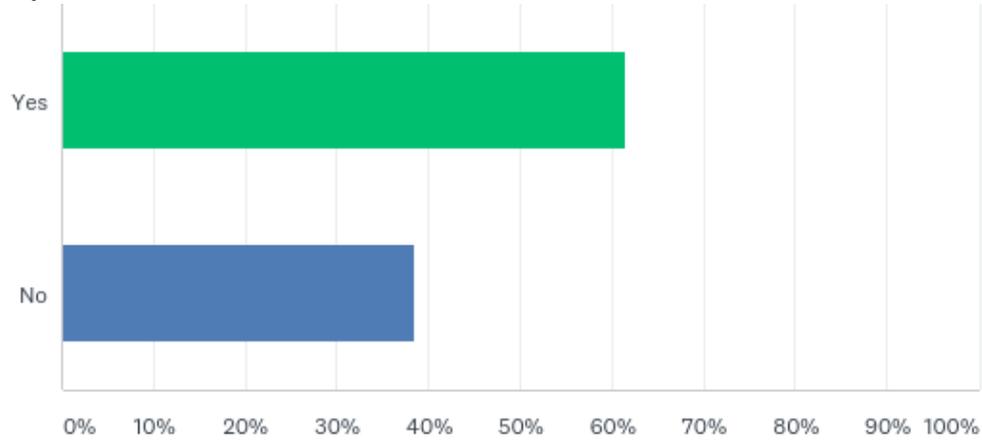
Are there any areas to develop and train your current employed staff? (Please tick all that apply)



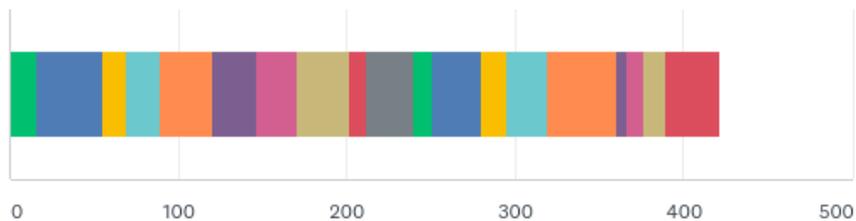
What relationship, if any, do you have with local schools or colleges?



Would you be interested in developing(or further developing) a relationship with local schools and higher educational establishments to promote your business, to develop skills and attract talent?

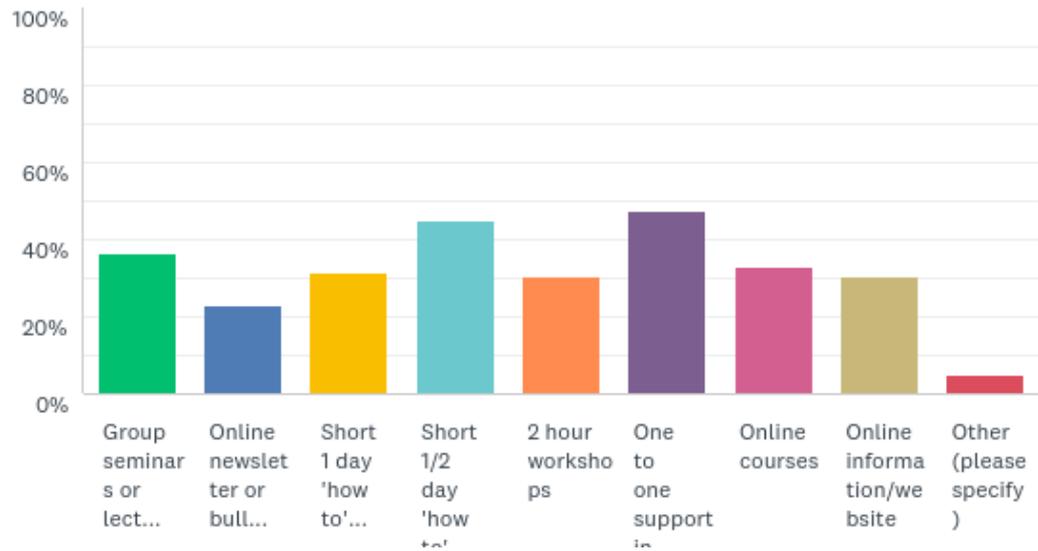


Which business support services are you likely to look for in the future? (Please tick all that apply)

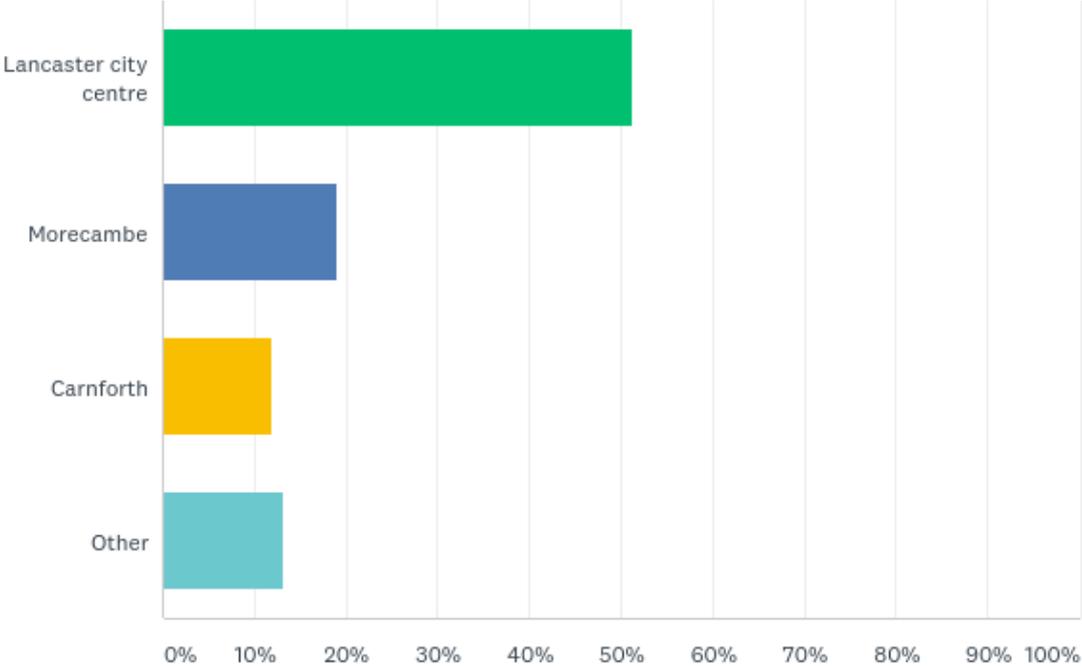


- Developing new products & prototypes, processes or services
- Staff training. Improving / up-skilling the skills of your existing employees
- Finding and operating in new overseas markets
- Funding for investing in new equipment, machinery and/or technology
- Developing management, planning and leadership skills
- Increasing the social and environmental benefits' of your business
- Accessing finance, including match funding, small grants, subsidies and loans
- Improving online presence/ social media
- Exploring E Commerce options
- Using IT and Digital technologies to improve efficiency/productivity
- Recruitment support
- Apprenticeships
- General legal advice for business
- Business coaching and mentoring
- Networking opportunities and events
- Attending Jobsfairs / recruitment events
- Financial Management and Accounting
- Tax advice
- Business growth advice

Preferred method of delivering business support. Please choose up to 3 methods.



Preferred location of events and workshops.



What is your preferred time of day for events?

